

**Introduced by Senator Alquist**

February 8, 2006

---

An act to amend Section 18724 of the Revenue and Taxation Code, relating to taxation.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1249, as introduced, Alquist. Taxation: contributions: California Fund for Senior Citizens.

Under the Personal Income Tax Law, individual taxpayers are allowed to contribute amounts in excess of their tax liability for the support of specified funds or accounts, including, among others, the California Fund for Senior Citizens. That law provides for the repeal of the contribution provisions for this account on January 1 of any calendar year that the Franchise Tax Board estimates the annual contribution amount will be less than \$250,000 for taxable years beginning in 2001, or an adjusted amount calculated from the inflation factor, based on the percentage change in the California Consumer Pride Index, multiplied by the prior year's estimated contribution amount, as described.

This bill would instead provide for the repeal of the contribution provisions for this account only when the board estimates the annual contribution amount will be less than \$250,000 for a taxable year.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 18724 of the Revenue and Taxation
- 2 Code is amended to read:

1 18724. (a) This article shall remain in effect only until  
2 January 1, 2010, and as of that date is repealed, unless a later  
3 enacted statute, which is enacted before January 1, 2010, deletes  
4 that date.

5 (b) If the Franchise Tax Board estimates by September 1 that  
6 contributions described in this article made on returns filed in  
7 that calendar year will be less than two hundred fifty thousand  
8 dollars (\$250,000) for taxable years beginning in 2001, ~~or the~~  
9 ~~adjusted amount specified in subdivision (c) for any subsequent~~  
10 ~~taxable year, as may be applicable, then this article is repealed~~  
11 ~~with respect to taxable years beginning on or after January 1 of~~  
12 ~~that calendar year. The Franchise Tax Board shall estimate the~~  
13 ~~annual contribution amount by September 1 of each year using~~  
14 ~~the actual amounts known to be contributed and an estimate of~~  
15 ~~the remaining year's contributions.~~

16 ~~(c) For each calendar year, beginning with calendar year 2002,~~  
17 ~~the Franchise Tax Board shall adjust, on or before September 1~~  
18 ~~of that calendar year, the minimum estimated contribution~~  
19 ~~amount specified in subdivision (b) as follows:~~

20 ~~(1) The minimum estimated contribution amount for the~~  
21 ~~calendar year shall be an amount equal to the product of the~~  
22 ~~minimum estimated contribution amount for the prior September~~  
23 ~~1 multiplied by the inflation factor adjustment as specified in~~  
24 ~~paragraph (2) of subdivision (h) of Section 17041, rounded off to~~  
25 ~~the nearest dollar.~~

26 ~~(2) The inflation factor adjustment used for the calendar year~~  
27 ~~shall be based on the figures for the percentage change in the~~  
28 ~~California Consumer Price Index received on or before August 1~~  
29 ~~of the calendar year pursuant to paragraph (1) of subdivision (h)~~  
30 ~~of Section 17041.~~

31 ~~(d)~~

32 (c) Notwithstanding the repeal of this article, any contribution  
33 amounts designated pursuant to this article prior to its repeal  
34 shall continue to be transferred and disbursed in accordance with  
35 this article as in effect immediately prior to that repeal.